

AMENDMENT TO H.R. 1106
OFFERED BY MR. NEUGEBAUER OF TEXAS

Page 47, after line 13, add the following new title:

1 **TITLE III—BAN ON USING TARP**
2 **FUNDS TO ACQUIRE CERTAIN**
3 **STOCK**

4 **SEC. 301. PROHIBITION ON THE RECEIPT OF COMMON**
5 **STOCK AND THE EXERCISE OF STOCK VOT-**
6 **ING POWER.**

7 Title I of the Emergency Economic Stabilization Act
8 of 2008 is amended by adding at the end the following
9 new section:

10 **“SEC. 137. PROHIBITION ON THE RECEIPT OF COMMON**
11 **STOCK AND THE EXERCISE OF STOCK VOT-**
12 **ING POWER.**

13 “(a) IN GENERAL.—Notwithstanding any other pro-
14 vision of this title, in carrying out this title the Secretary
15 shall not make any purchase for which the Secretary re-
16 ceives control-diluting stock.

17 “(b) APPLICATION.—Subsection (a) shall apply to
18 purchases made by the Secretary under this title on or
19 after the date of the enactment of this section.

1 “(c) CONVERSION OF CERTAIN SECURITIES AL-
2 READY RECEIVED BY THE SECRETARY.—Notwithstanding
3 any other provision of this title, the Secretary shall not
4 convert any security or warrant received by the Secretary
5 under this title, where such security or warrant is received
6 after the date of the enactment of the Helping Families
7 Save Their Homes Act of 2009, into any control-diluting
8 stock.

9 “(d) CONTROL-DILUTING STOCK DEFINED.—For
10 purposes of this section, the term ‘control-diluting stock’
11 means—

12 “(1) common stock of a financial institution;

13 “(2) any other voting stock of a financial insti-
14 tution, other than voting stock that the Secretary
15 agrees not to exercise the voting power of such
16 stock; or

17 “(3) a warrant giving the right to the Secretary
18 to receive stock described in paragraph (1) or (2).”.

